

**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554**

In the Matter of)	
)	
Request to Update Default Compensation Rate for)	WC Docket No. 03-225
Dial-Around Calls from Payphones)	

**RBOC PAYPHONE COALITION’S COMMENTS ON
FURTHER NOTICE OF PROPOSED RULEMAKING**

The Commission should not devote scarce resources to the development of a new per-phone payphone compensation rate, because only a fraction of payphones would be affected. Moreover, since declining call volumes would likely offset the higher per-call rate recently established by the Commission, overall the monthly default rate would be unlikely to show any significant change.

As the Commission has noted, less than five percent of the payphones of SBC Communications Inc. and the Verizon telephone companies (together, the “RBOC Payphone Coalition”) are eligible for per-payphone compensation. *See* Further Notice of Proposed Rulemaking, WC Docket No. 03-225, FCC 05-71, ¶ 17 (rel. Mar. 14, 2005) (“FNPRM”). Diverting limited Commission resources to the review and evaluation of payphone cost and call volume data – as well as to drafting the subsequent order, handling potential reconsideration petitions, and responding to possible federal court litigation – hardly seems sensible or appropriate.

In addition, while the per-call compensation rate has increased from \$.238 to \$.494 since the per-payphone compensation rate was set, payphone call volumes have fallen during the same period. As the Commission itself recognized, the reduction in call volumes may well have offset the increase in the per-call rate. *See* FNPRM ¶ 10 n.36. Moreover, because overall payphone

costs have remained largely unchanged, *see Rate Order*,¹ 19 FCC Rcd at 15640, 15662, ¶¶ 9, 80 (finding an approximate reduction in joint and common payphone costs of 15%), the current level of per-payphone compensation presumably continues to reflect PSPs' costs.

Respectfully submitted,

/s/ Aaron M. Panner
AARON M. PANNER
KELLOGG, HUBER, HANSEN,
TODD, EVANS & FIGEL P.L.L.C.
1615 M Street, NW
Suite 400
Washington, DC 20036
(202) 326-7900

Counsel for the RBOC Payphone Coalition

June 27, 2004

¹ Report and Order, *Request to Update Default Compensation Rate for Dail-Around Calls from Payphones*, 19 FCC Rcd 15636 (2004).